

CC/286/2023

Date of filing: 20.09.2023
Date of Disposal: 10.06.2024

**BEFORE THE BANGALORE URBAN II ADDITIONAL
DISTRICT CONSUMER DISPUTES REDRESSAL COMMISSION,
SHANTHINAGAR, BANGALORE - 560027**

DATED THIS THE 10th DAY OF JUNE 2024

CONSUMER COMPLAINT NO.286/2023

PRESENT:

SRI VIJAYKUMAR.M.PAWALE, B.A., LL.B., (Spl)., ... PRESIDENT
SMT.V.ANURADHA, B.A., LL.B., ... MEMBER
KUM.RENUKADEVI DESHPANDE, B.Com., LL.B., (Spl)., ... MEMBER

COMPLAINANT:

Mr.K.Velu,
S/o R.Krishnan,
Aged about 74 years,
R/at # 24, 10th Cross,
Chinnappa Garden,
Bangalore - 560 046.

(In-Person)

V/s

OPPOSITE PARTY:

ICICI Lombard General Insurance,
No.414, Veer Savarkar Marg,
Near Siddhi Vinayaka Temple,
Prabhadevi,
Mumbai - 400 025.

(OP is Rep. by Sri.Lakshminarayan.C, Advocate)

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9/10/6

By SRI.VIJAYKUMAR.M.PAWALE, PRESIDENT:

// JUDGMENT //

1. This is a complaint filed by the complainant through e-Daakhil Portal (Online) under Section 35 of the Consumer Protection Act, 2019 against the opposite party (herein after referred as OP) seeking order directing OP to provide proper solution regarding the complainant's annual premium payable, to pay Rs.20,00,000/- to compensate the complainant monetarily.

2. The facts averred in the complaint in brief are as under:

The complainant had taken health insurance policy "SMART Health Insurance BASIC" from 'BHARTI AXA' on 20th November 2010 for sum insured INR 2,00,000/- and policy worded as Lifelong renewal, so complainant continued to renew the said policy until November 2021.

3. Further, in the complaint it is stated that OP asked for renewal of policy with a higher premium of Rs.10,350/- instead of Rs.4,852/- for sum insured of Rs.2,00,000/- policy Number:Q094427 for the year

10/6

2021-2022 without citing any reason for the steep increase in the annual premium to the existing policy holders including complainant. However, complainant paid the premium to OP. Further, in the complaint it is stated that for the year 2022-2023 policy renewal OP sought an exorbitant annual premium of Rs.61,533/- for sum insured Rs.5,00,000/- policy No:Q094427 unsuitably and the policy details were changed to "SMART HEALTH SUPER" instead of "Smart Health Insurance Basic" and not adhering to lifelong renewal as worded in the initial policy. This change in policy details were not done with any consent or approval with the existing policy holders of "Smart Health Insurance Basic".

4. Further, in the complaint it is stated that the complainant approached OP in November 2022 for provisioning a suitable alternative policy change by sending mails to office bearers of OP, but no reply is given for the said mails.
5. Further, in the complaint it is stated that complainant had to go through and taking risk of not being covered by any health Insurance policy though complainant was well planned in terms of health

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insurance post retirement. Further, in the complaint it is stated that Complainant was about to undergo a cataract operation coupled with an earlier eye complication, but because of the above said situation complainant had financially impacted and in deep risk. Further, in the complaint it is stated that complainant is unable to take a new fresh policy because a new policy would not cover complainant's current age/health conditions or higher premium. Hence, the complainant has filed this complaint against OP as prayed in the complaint.

6. After registering the case, notice was issued to the OP and in response to the said notice, the OP appeared through counsel and filed written version to the complainant's case mainly stating that complainant's case is pre-mature case against the OP, as OP has neither received any grievance from the complainant nor has committed any deficiency in service, hence the complaint is not maintainable against this OP.
7. Further, OP in written version has denied all the allegations made in the complaint against OP and further contended that the Insurance Regulatory & Development Authority of India (IRDAI) is the regulator

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of the Insurance sector and monitors the development of the Insurance Industry and Insurance System in India and all the Insurance Policies are regulated as per the guideline of the IRDAI.

8. Further, OP in the written version contended that the increase in overall premium amount is due to implementation of IRDAI circular named "Modification Guidelines on Standardization of Health Insurance" and increase in renewal premium has been duly informed to the complainant. Further, contended that the OP has informed the complainant that over the years due to several market factors, including the medical inflation have increased the insurance cost significantly and the OP has tried to absorb the same and attempted to maintain the pricing at the same level, however, given the above factors the OP is required to rationalize the premium.

9. Further, OP in the written version contended that all the products of Insurance, its benefits under the policy and the insurance premium is subject to approval from the IRDAI which is the regulator of the Insurance, hence the Insurance Policy which was offered to the complainant is an IRDAI approved policy

Q.10/6

and the allegation of the complainant regarding the exorbitant premium is baseless and denied as false.

- 10.** Further, OP in the written version contended that the Insurance Premium is generally fixed as per the underwriting guidelines of the IRDAI and also as per the prevailing market rates and all the increase in premium for all health Insurance Policies were done as per the IRDAI Circular. The policy coverage is now made more comprehensive and inclusive of as many modern treatments and procedures are now covered as part of the policy and also list of non-payables are significantly reduced from the earlier policies. The premium amount also depends on the age of the Insured and the extent of the coverage insured has opted for his/her policy. In case the insured moves to a higher age band at the time of renewal, the premium will change as per the new age band, in the instant case the since the age of the Petitioner/complainant is 74 years and the risk factors have also increased which has contributed in increase in the renewal premium.
- 11.** Further, in the complaint it is contended that the OP has not committed any deficiency in service and

016

the complainant has failed to make out a case of deficiency of service and unfair trade practice hence prayed for dismissal of the case with cost.

12. To prove his case, the complainant filed his affidavit evidence and got marked documents Ex.P1 to P4. The Legal Manger of OP has filed affidavit evidence. Heard oral argument from the complainant. Even after sufficient oppourtunities OP not appeared for submitting argument and hence OP side argument taken as nil. We have perused the entire records.

13. The points that arise for our consideration and determination are as under:

1. Whether the complainant proves that there is a deficiency of service on the part of the OP?

2. What order?

14. Answers to the above said points are as under;

POINT NO.1: In the Affirmative;

POINT NO.2: As per final order for the following;

REASONS

15. **POINT NO.1:-** Looking to written version of OP it is very much clear that the OP has not denied the fact

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10/6

that the complainant had taken health insurance policy by name "Smart Health Insurance Basic" from Bharti AXA on 20.10.2010 for a sum insured Rs.2,00,000/- and policy worded as lifelong renewal and further it is also specifically denied by OP that the complainant renewed the policy till November 2021. Further, OP has not specifically denied renewal of Smart Health Insurance Basic Policy bearing Policy No.Q0944427 for annual premium of Rs.4,852/- and sum insured of Rs.2,00,000/- on 30.10.2020 covering risk till 18.09.2021 which is evident from Ex.P2 from Bharti AXA General Insurance Company. Further, it is an undisputed fact by looking to Ex.P1 that earlier insurer of the complainant i.e., Bharti AXA General Insurance has merged with OP i.e., ICICI Lombard General Insurance w.e.f. 08.01.2021. Further, it is also undisputed fact that the complainant has got renewed the complainant's Smart Health Basic Policy bearing Policy No.Q0944427 for the period from 02.11.2021 to 01.11.2022 by paying annual premium of Rs.10,350/-. It is also undisputed fact that all of a sudden OP issued renewal notice of complainant's health insurance policy bearing Policy No.Q0944427 by sending letter dated 16.08.2022 asking the

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10/6

complainant to pay annual premium of Rs.61,533/- by changing the plan name Smart Super Health Insurance without taking any consent from the complainant which is evident from Ex.P1.

16. So, looking to Ex.P1 it is very much clear that the OP just by changing the name of the policy asking the complainant to pay more annual premium for which complainant is not ready. As per Ex.P4 IRDAI notification No.IRDA/HLT/CIR/MISC/151/09/2019 dated 20.09.2019 under Clause C at 1.3 it is stated as under:

“Change in the base premium rates, not exceeding + or – 15% of the premium rates of originally approved individual product.”

17. So, looking to Ex.P1 & P4 stated supra it is very much clear that the act of the OP amounts to unfair trade practice and deficiency of service towards complainant. Hence, point No.1 is answered in the affirmative.

18. **POINT NO.2:** The complainant has sought for proper solution and also for compensation of Rs.20,00,000/- from OP. However, looking to facts and circumstances of the case and looking to Ex.P3 it

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appears that the compensation sought by complainant from OP appears to be exorbitant and baseless. However, we are of the opinion that it would meet ends of justice if OP is directed to continue the renewal of complainant's policy No.Q0944427 "Smart Health Insurance Basic" for a sum insured Rs.2,00,000/- by collecting annual premium by following the guidelines of IRDAI for fixing the annual premium till his life time and also topay Rs.52,000/- which has been spent by the complainant for his eye treatment which is evident from Ex.P3 as compensation and also to pay Rs.2,000/- towards cost of litigation. In view of answer on point No.1 and for the foregoing reasons the complainant's complaint has to be allowed partly. In the result, we proceed to pass the following:

ORDER

The complainant's complaint filed under Section 35 of the Consumer Protection Act, 2019 is allowed partly.

The OP is directed to continue the renewal of complainant's policy No.Q0944427 "Smart Health Insurance Basic" for a sum insured Rs.2,00,000/- by collecting annual premium

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10/6

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by following the guidelines of IRDAI for fixing the annual premium till his life time.

Further, OP is also directed to pay a sum of Rs.52,000/- (Rupees Fifty Two Thousand only) as compensation since complainant has spent the said amount for his eye treatment in the month of September 2023 and Rs.2,000/- (Rupees Two Thousand only) towards cost of litigation to the complainant.

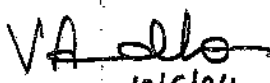
OP shall comply with the order stated supra within 45 days from the date of this order, failing which OP is liable to pay interest @6% p.a. on amount of Rs.52,000/- (Rupees Fifty Two Thousand only) till realization.

Supply free copy of this order to both parties.

Return spare copies of the pleading and evidence to the parties.

(Dictated to the Stenographer, typed by her directly on computer, and then corrected, signed and then pronounced by the open Commission on this the 10th day of JUNE, 2024).


10/6/24
(RENUKADEVI DESHPANDE)
MEMBER


10/6/24
(V. ANURADHA)
MEMBER


10/6/2024
(VIJAYKUMAR.M.PAWALE)
PRESIDENT

//ANNEXURE//**Witness examined for the complainant's side:**

Mr.K.Velu, who being the complainant has filed his affidavit.

List of documents filed by the complainant:

1. Ex.P1: Copy of the Renewal Notice of Health Insurance Policy No.Q0944427,
2. Ex.P2: Copy of the Premium Statement,
3. Ex.P3: Copy of the Invoice dated 20.09.2023,
4. Ex.P4: Copy of IRDA Guidelines circular dated 20.09.2019.

Witness examined on behalf of the Opposite Party:

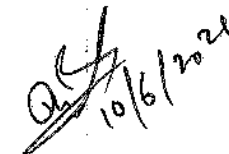
Ms.Samridhi Mukesh, who being the Legal Manager in the opposite party has filed her affidavit.

List of documents filed by the Opposite Party:

NIL-


10/6/2024
(RENUKADEVI DESHPANDE)
MEMBER


10/6/24
(V.ANURADHA)
MEMBER


10/6/2024.
(VIJAYKUMAR.M.PAWALE)
PRESIDENT